



**LNP Alliance Concerns with the LNP Selection Process:
Neutrality, IP Transition and the Need for a Two-Year Delay
CC Docket No. 95-116; WC Docket No. 09-109**

December 9, 2014

**Jerry James
Consultant, LNP Alliance**

**Dave Malfara, Sr.
Technical Consultant, LNP Alliance**

**James C. Falvey, Esq.
Eckert Seamans Cherin & Mellott
1717 Pennsylvania Ave., NW
12th Floor
Washington, D.C. 20006**

LNP Alliance Members

- The LNP Alliance is a consortium of small and medium (“S/M”) providers comprised of Comspan Communications, Inc., Telnet Worldwide, Inc., the Northwest Telecommunications Association (“NwTA”), and the Michigan Internet and Telecommunications Alliance (“MITA”)
- The LNP Alliance is focused on ensuring that the LNPA selection process takes into account the concerns of its S/M provider members and other similarly situated providers
- The LNP Alliance is concerned about the costs to S/M providers, which still have not been clearly defined
- \$250,000 per carrier estimate supposedly will not apply to S/M carriers, but no clear statement of costs

WHY is the LNP Alliance concerned about the LNPA Selection Process?

- NPAC is critical to all porting and routing of calls/texts. Failure or errors impact customers
- S/M carriers were not represented on SWG
- Short transition interval (July 1, 2015 start date) doesn't allow for extensive pre-testing before launch
- Dual system—overlap period during which both Neustar and Telcordia must operate—during transition creates costs for S/M carriers
- System and interface changes create costs and resource burden on carriers
- How can S/M carriers budget for and recover such costs?
- No information as to what costs S/M will bear

IP Transition Task Forces Have Not Defined the Role of the NPAC

- The IP Transition is ongoing but the future role of the NPAC has not yet been fully determined. There are at least three industry task forces—the ATIS/SIP Forum IP-NNI Task Force, the ATIS Industry Numbering Committee, and the Internet Engineering Task Force—considering the role of the NPAC
- Role of NPAC more fully defined when their work is completed
- There is good reason to believe that Telcordia and Neustar had a very different understanding of the role of the NPAC post-IP Transition when they bid on the LNPA contract, and that they were **not** submitting comparable, “apples to apples” bids
- There is no detail in the North American Portability Management (NAPM) Request for Proposal (RFP) about what the role of the NPAC will be post-IP Transition

Telcordia Sees Limited Role for NPAC

- Based on May 2014 Telcordia White Paper, Telcordia envisions a limited role for the NPAC.
- Telcordia intends to create ENUM registries, which would be private databases that would compete with the NPAC.
- Telcordia has also outlined in public filings in 2009 the manner in which the LNPA could execute a successful “anticompetitive monopoly leveraging and cross-subsidization strategy with respect to the ENUM services market” (May 22, 2009 Letter at 5).
- The Commission should be very concerned about Telcordia leveraging its NPAC monopoly into the ENUM services market.
- The Commission should ensure that Telcordia is ***prohibited*** from offering ENUM services if it takes over the NPAC.

Telcordia/Ericsson does not meet the Commission's neutrality requirements

- The FCC's rules and the RFP emphasize the critical importance of having a neutral Local Number Portability Administrator (LNPA):
 - The LNPA cannot be affiliated with a telecom equipment manufacturer (47 C.F.R. § 52.26(a));
 - The LNPA cannot be aligned with a particular industry segment (47 C.F.R. § 52.12(a)(1));
 - The LNPA must be impartial (47 C.F.R. § 52.12(a)(1)), independent (47 C.F.R. § 52.21(k)), and not subject to undue influence (47 C.F.R. § 52.21(a)(1)(iii)).
- Telcordia, as a wholly owned affiliate of Ericsson, a leading wireless equipment manufacturer, cannot meet this test.
- Sprint has outsourced its network operations to Ericsson, and Ericsson also has significant managed services agreements with T-Mobile and Clearwire, now part of Sprint, to run their networks.
- Ericsson is also negotiating managed services agreements with Verizon Wireless and AT&T Wireless.
- Ericsson and its Telcordia affiliate are clearly aligned with the wireless industry.

Telcordia is not neutral due its LSMS/SOA, LERG and BIRRDs presence

- Telcordia is the leading provider of the Local Service Management System (LSMS) and Service Order Administration (SOA) systems that providers use to access the Number Portability Administration Center (NPAC), which is administered by the LNPA.
- Telcordia cannot be impartial or independent and could leverage its LNPA monopoly to expand its presence in the LSMS/SOA market (*e.g.*, by providing faster response times to and from the NPAC for customers using Telcordia LSMS/SOA systems).
- LSMS is the system owned by a service provider and which receives data broadcast from the NPAC/SMS. The LSMS provisions the service provider's downstream systems, such as its LNP call routing database. The LSMS is a mechanized system used primarily to receive data broadcasts from the NPAC/SMS.
- Telcordia also runs the LERG and the BIRRDs databases.

Telcordia Must Be Spun Off from Ericsson, LSMS/SOA, LERG and BIRRDS

- **Solution: *The Commission should ensure that Telcordia is spun off from Ericsson*** and separated from its LSMS/SOA, LERG and BIRRDS lines of business before being considered as the LNPA. It must also not be permitted to enter the ENUM registry services market, as discussed below.
- ***The Commission should extend the Neustar contract by two years to provide Ericsson sufficient time to restructure Telcordia.***
- Having a separate board of directors does not begin to solve the problem because Telcordia's current advisory board is comprised of wireless industry executives.

Two-Year Extension Needed in Light of Neutrality and IP Transition Concerns

- ***The Commission should extend the Neustar contract by two years*** so that industry task forces can define the future role of the NPAC ***before*** providers are asked to bid on the LNPA contract
- An RFP can then be written that establishes clear requirements for the services expected of the LNPA, and all parties will be bidding on the same requirements
- Two-year extension also allows time to address neutrality concerns, separating Telcordia from Ericsson and from LSMS/SOA and BIRRDS
- In December 2014, there is not enough time to implement LNPA transition without serious complications

Growing Support for Two-Year Extension

- The Commission needs to extend the Neustar contract two years: 1) to allow Telcordia to address its serious **neutrality** failings; and 2) to permit industry task forces to define the requirements for the LNPA and the NPAC in a **post-IP Transition** world.
- There is a growing drumbeat of new reasons that supports delaying the decision on the next LNPA.
- On August 7, Reps. Mike Rogers (R-Mich.) and C.A. "Dutch" Ruppertsberger (D-Md.), the Chairman and ranking Democrat of the House Intelligence Committee, in a letter to Chairman Wheeler, urged the FCC to consult the FBI and other security agencies before picking an LNPA vendor.
- Chairman Rogers concerned that the selection process "will not adequately address the inherent national security issues involved in this database."

Need for Greater Transparency

- Recent Neustar Petition for Declaratory Ruling focused on FACA and the need for greater transparency and broader participation in the process
- Less than a third as many SWG participants as in 1997
- Smallest carriers are Level 3 and XO, each with billions in revenue
- Lack of participation by S/M providers and other interested national security, law enforcement and public safety parties have left many on outside of the process concerned about how the transition to a new provider would affect their interests

Law Enforcement and 9-1-1 Interests Have Raised Concerns

- The FBI, DEA, Secret Service, NYPD, Chiefs of Police, and National Sheriffs Association have all expressed concerns about their need for specific outputs from the NPAC/LNPA.
- The Oklahoma PUC, NENA, Intrado, TCS, and the Illinois Emergency Management Association have raised concerns about 9-1-1 updates based on the NPAC/LNPA.
- These critical participants have been on the outside looking in and like S/M providers, are concerned that critical issues may not be addressed in the LNPA transition.

Two-Year Extension of Existing Contract Solves Multiple Issues

- Congress, federal and state agencies, law enforcement, and 9-1-1/public safety officials are all concerned that their critical interests are not being addressed in the process.
- But clearly much at stake in the transition to the new NPAC and LNPA transition must be implemented methodically and with adequate time to address these issues.
- All of these factors suggest that ***the Commission should extend the Neustar contract by two years*** in order to provide adequate time to address the neutrality, IP Transition, and these critical national security, law enforcement, and 911-related issues.

Mishandling LNPA Selection Process could lead to . . .

- Significant adverse customer impacts
- Adverse impact on competitors and competition
- Adverse impact on the IP Transition
- Interruption of critical emergency services
- Failures of network security
- Given what's at stake, a two-year extension is required